United Nations DP/2003/30

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
7 August 2003

Original: English

Second regular session 2003
8 to 12 September 2003, New York
Item 2 of the provisional agenda
Financial, budgetary and administrative matters

Information on United Nations system technical cooperation expenditures, 2002

Report of the Administrator

Summary

The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole.

It also provides an analysis of technical cooperation provided by the UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and other specialized agencies, funds and programmes.

For the purpose of the report, technical cooperation assistance is the summation of programme expenditure. A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities. The analysis provided in the present report is based on the data presented at the end of the present report and in the addendum (DP/2003/30/Add.1).

The Executive Board may wish to take note of the present report.

I. Highlights

1. Technical cooperation between the United Nations system (excluding the World Bank group) and the developing world achieved an all-time high of $7.3 billion in 2002, representing a 2.4 per cent increase over the previous year's $7.1 billion (see figure 1). The United Nations system as a whole was able to maintain this high delivery level due to the positive growth rates attained by other specialized agencies, funds and programmes, UNDP, and the United Nations Children's Fund (UNICEF), which posted respective increases of 10.6 per cent (at

03-46377 (E) 140803

$2.3 billion), 5.5 per cent (at $2.1 billion) and 3.2 per cent (at $1.0 billion) in 2001. Although the World Food Programme (WFP) and UNFPA experienced a slight contraction in their delivery levels, their respective performances nevertheless allowed United Nations system technical cooperation reach an all-time high.

Figure 1. United Nations system technical cooperation expenditure, 1998 - 2002

(millions of United States dollars)

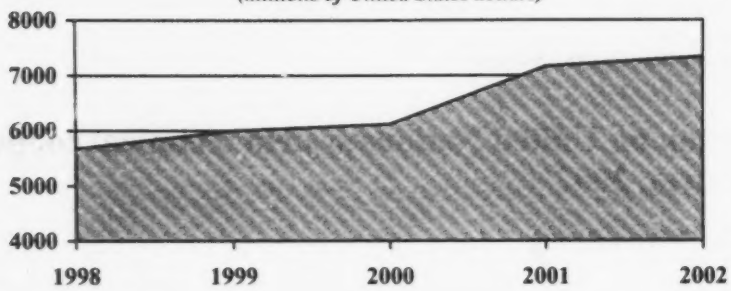
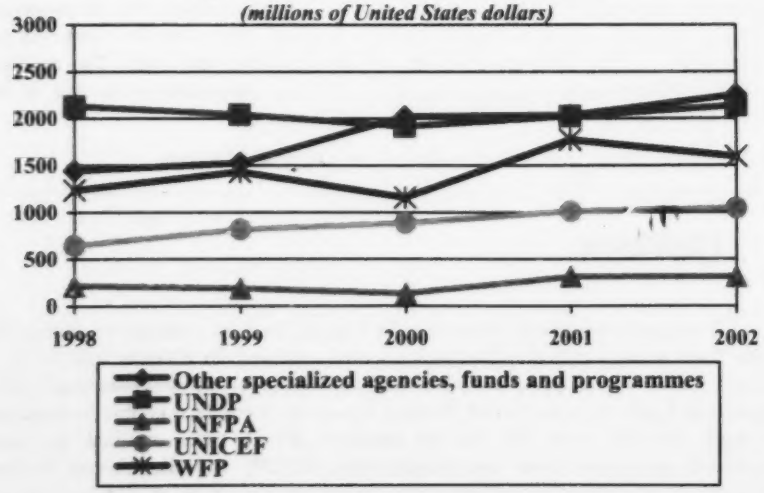


Figure 2. United Nations system technical cooperation expenditure, 1998-2002, by organization

(millions of United States dollars)



2. The geographic pattern of United Nations system-wide cooperation with the regions of the world (see figures 3 and 4) was similar in 2001 and 2002, with the African continent again as the largest recipient to one quarter, or $1.8 billion, of development assistance. The largest contributor to Africa was WFP, at $785 million, followed by the other specialized agencies, funds and programmes, at $431 million, then UNDP, at $294 million, UNICEF, at $238 million and UNFPA, at $96 million. The Asia and the Pacific region, second behind Africa, also received almost one-quarter of overall United Nations expenditure, at $1.696 billion. This reflects an increase of 9 per cent over the $1.554 billion received in 2001. Three-fourths of all technical cooperation with Asia and the Pacific was derived from WFP ($457 million), UNICEF ($455 million) and UNDP ($375 million). The remaining one-fourth originated from other specialized agencies, funds and programmes ($323 million) and UNFPA ($85 million). As in 2001, Latin America and the Caribbean assumed the third largest share in 2002 (19 per cent, or $1.4 billion), followed by the Arab States (17 per cent, or $1.2 billion), global and interregional activities (9 per cent, or $678 million) and Europe and the Commonwealth of Independent States (6.6 per cent, or $483 million). Of the $1.4 billion absorbed by Latin America and the Caribbean, UNDP provided two-thirds ($938 million), of which 91 per cent (or $855 million) was attributed to government and third-party cost-sharing sources. While other United Nations entities may have cost-sharing expenditures in the various geographic areas, the data requested was limited to expenditures against assessed or extra-budgetary sources, so analysis is likewise limited in this respect.

Figure 3. United Nations system technical cooperation, 2002: geographic breakdown

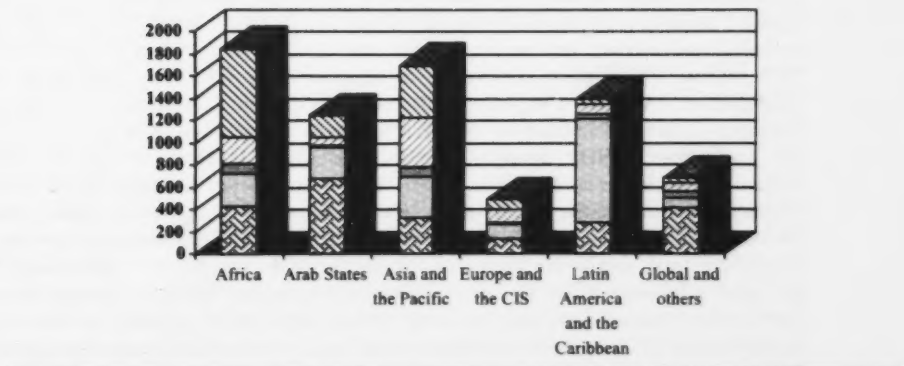
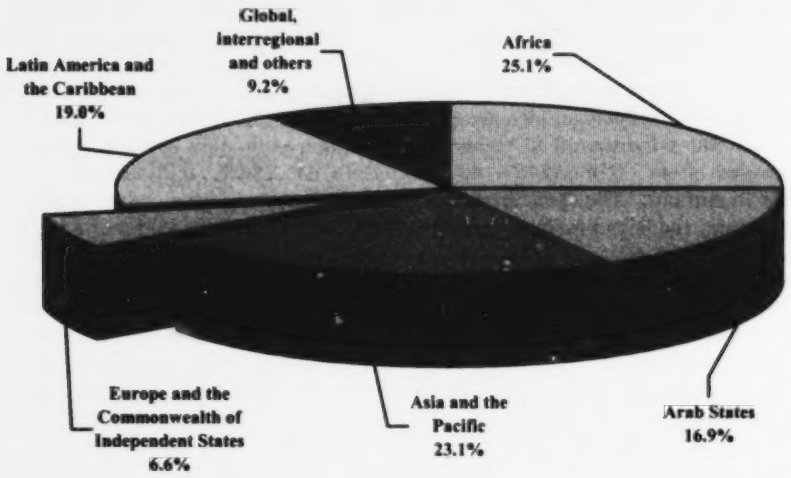


Figure 4. United Nations system technical cooperation, 2002, by region ($7.3 billion)

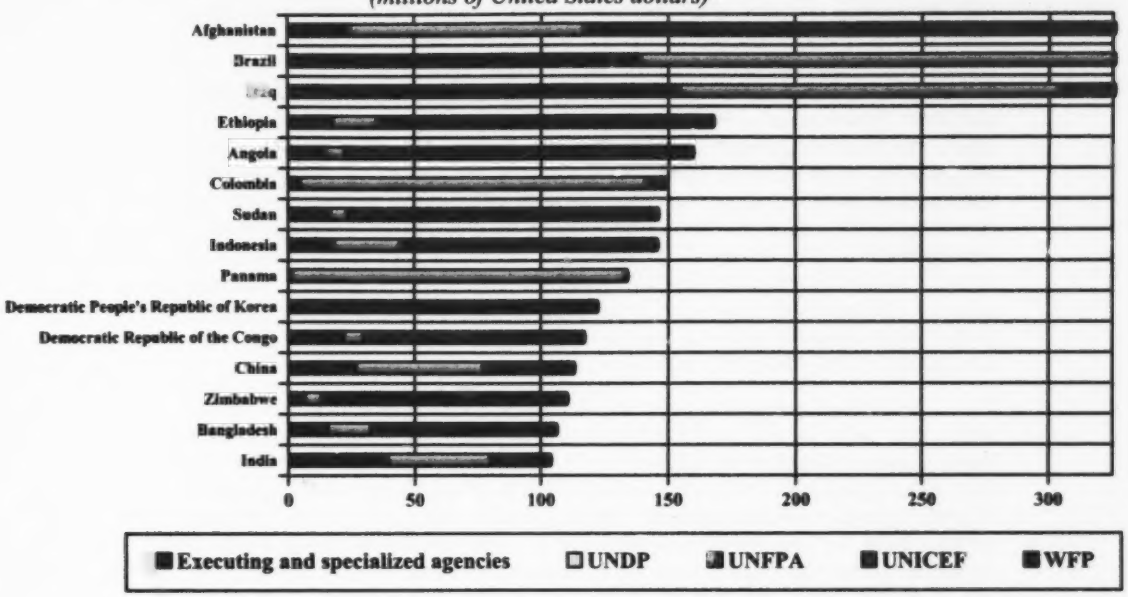

Global, interregional and others 9.2%
Africa 25.1%
Latin America and the Caribbean 19.8%
Europe and the Commonwealth of Independent States 6.6%
Asia and the Pacific 23.1%
Arab States 16.9%

3. Three countries represented over one-third of a billion dollars each in United Nations system expenditures during 2002. These were Afghanistan – at $355 million – registering a substantial growth of 111 per cent; Brazil – at $344 million; and Iraq – at $340 million. Fifteen countries, including these three (see figure 5 below), accounted for over $100 million in total United Nations system technical cooperation, accounting for over one-third, or $2.6 billion of the total of $7.3 billion. The highest percentage of support from WFP was channelled to Afghanistan, Angola, Bangladesh, Democratic People's Republic of Korea, Ethiopia, Sudan and Zimbabwe, with Zimbabwe as a new member in the group. At the same time, UNDP strongly supported activities in Brazil, Colombia and Panama, in which cost-sharing inputs of 96 per cent, 99 per cent and 99 per cent, respectively, originated from these governments in support of their own development efforts. UNICEF support to Indonesia was $83 million, or 58 per cent of country total, and to the Democratic Republic of the Congo, $43 million, or 37 per cent of country total. The other specialized agencies, funds and programmes collectively funded activities covering 46 per cent ($155 million) of country requirements for Iraq. Over and above individual country assistance, the United Nations system was instrumental in providing substantive support for technical cooperation among countries, territories and regions. A total of $1.5 billion was expended for regional, interregional and global activities, as follows: Arab States (regional – $447 million); global activities ($350 million); Africa (regional – $252 million); interregional cooperation ($241 million); and Asia and the Pacific (regional – $211 million). Regional cooperation with the Arab States began at the modest level of $19 million in 1997 and peaked at $447 million in 2002, with the

group of specialized agencies, funds and programmes responsible for 97 per cent, or $433 million, of the total allocation for 2002.

Figure 5. Top 15 recipients of United Nations system technical assistance, 2002

(millions of United States dollars)



4. The health and humanitarian assistance sectors captured the same percentage of United Nations technical cooperation expenditure in 2002 as in 2001 – 41.2 per cent, or a combined volume of $3.0 billion. This translates into a slight increase (2.3 per cent). In 2002, WFP carried the bulk of expenditures undertaken for humanitarian assistance-related activities (65 per cent, or $968 million), while the other specialized agencies, funds and programmes contributed the majority share of 52 per cent, or $796 million, to the health sector. The World Health Organization (WHO) was the main contributor to the health sector, deploying its total resources of $777 million to this sector in 2002. Similarly to 2000 and 2001, UNICEF assistance in 2002 was channelled to the health sector in the amount of $427 million, or 28 per cent. All UNFPA support, in keeping with its mandate, is geared towards population projects and programmes. UNDP, for its part, focused the majority of its expenditure in the UNDP practice areas of governance, poverty alleviation and the environment.

II. Analysis of technical cooperation

A. United Nations Development Programme

5 UNDP continued its growth in technical cooperation delivery since 2001 with yet another increase, of 4.2 per cent, in 2002 – up to $2.1 billion (excluding items such as management service agreements, junior professional officers and the reserve for field accommodations). An overall growth of 6 per cent, or $98 million, was highlighted in the delivery figures from other resources: local resources (government cost-sharing), donor/third-party cost-sharing, and trust funds. The latter two components contributed substantially to this overall growth: 34 per cent for donor/third-party cost-sharing ($273 million in 2002, up from $203 million in 2001), and 31 per cent for trust funds ($579 million in 2002, up from $443 million in 2001). On the other hand, local resources (government cost-sharing) decreased by 11 per cent, from $970 million in 2001 to $862 million in 2002. Expenditures against regular resources also faced a decline, although minimal (slightly over 2 per cent), from $366 million in 2001 to $357 million in 2002. UNDP-administered funds experienced a similar slight contraction in 2002 – down to $81 million from $83 million in 2001.

6. In terms of geographic coverage, 2002 saw a similar distribution to that of 2001. The Latin America and Caribbean region continued to record the highest share of programme delivery, accounting for 48 per cent of the aggregate figure of $1.1 billion. Asia and the Pacific captured $341 million, representing 15 per cent of total expenditure. Africa incurred $306 million, or 14 per cent. The Arab States realized $274 million, or 12 per cent, and Europe and the Commonwealth of Independent States accounted for $148 million, or 7 per cent. Global, interregional and other regional programmes expended $74 million, or 3 per cent. Of the total $1.1 billion expenditure incurred in Latin America and the Caribbean, 71 per cent was funded from local resources.

7. Voluntary contributions to the regular resource base of UNDP recorded another increase, of 1.7 per cent, in 2002, raising the current level to $663 million. Although modest, it nevertheless contributed to maintaining overall United Nations system performance over the $7 billion mark.

B. World Food Programme

8. After the substantive rise of over 50 per cent in technical cooperation expenditure posted in 2001, WFP reduced its 2002 delivery by 10 per cent to $1.6 billion, down from $1.8 billion the prior year. Notwithstanding this decline, WFP continues to deliver about one-quarter of the total flow of technical cooperation from the United Nations system to the developing world, in the form of assistance to victims of man-made and natural disasters. Since 1996, WFP has dispersed from one-third to four-fifths of its total annual technical cooperation expenditure to the humanitarian assistance sector, allocating 61 per cent, or almost $1.0 billion, to the sector in 2002. The bulk of this assistance focused on the regions of Africa and

Asia and the Pacific, with Africa increasing its share of WFP assistance from 42 per cent in 2001 to 50 per cent in 2002. Afghanistan, for the first time, received the majority of support from WFP. From $119 million in 2001, assistance to Afghanistan climbed to $135 million in 2002, the largest amount ever received from WFP by the Government of Afghanistan. Four other countries were the beneficiaries of $100 million or more in WFP support in 2002: Ethiopia ($128 million), Angola ($109 million), the Democratic People's Republic of Korea ($103 million) and Sudan ($100 million).

9. Contributions for the work of WFP reached almost $2.0 billion in 2002, another all-time high. Of this amount, 89 per cent, or $1.8 billion, represents voluntary contributions from Member States, an increase of 17 per cent from the $1.5 billion level of 2001. The top donor for WFP, the United States, increased its contributions in the magnitude of 44 per cent, from $750 million in 2001 to $1.1 billion in 2002. The United States alone was responsible for over half (55 per cent) of the entire WFP funding base for 2002. Other donors to WFP of $50 million or more for the year were: the United Kingdom ($97 million), Japan ($87 million), Germany ($62 million), the Netherlands ($58 million) and Australia ($55 million – an increase of 36 per cent).

C. United Nations Children's Fund

10. UNICEF continued its presence in the technical cooperation arena with another increase, albeit modest, of 3.2 per cent in 2002, thus surpassing the $1.0 billion level for the second consecutive year. The bulk of this expenditure was channelled into health-related activities wherein $427 million, or 41 per cent, was expended in this sector. Two other sectors were the focus of UNICEF activities in 2002. The first was general development issues, which received $211 million, and thus represented a substantial increase of 56 per cent over its 2001 level of $135 million. The other sector was education, which absorbed $142 million, or 14 per cent of expenditures for the year. Altogether, these three sectors attracted almost 75 per cent, or $780 million, of the total value of UNICEF assistance recorded at $1.0 billion in 2002.

11. The African and Asia and the Pacific regions were again the largest partners of UNICEF cooperation in 2002. At $329 million in 2001, Asia and the Pacific absorbed $459 million in 2002 – 44 per cent of total UNICEF expenditure – increasing its resources by almost 40 per cent. Africa, on the other hand, decreased substantively, from $383 million in 2001 to $236 million in 2002 – a 38 per cent decline. Both regions, however, received two-thirds or almost $700 million of UNICEF total assistance. Worth noting was the growing cooperation with Europe and the Commonwealth of Independent States. From $63 million in 2001, cooperation with this region expanded by 78 per cent in 2002 and achieved a level of $112 million in technical cooperation resources. Nine countries, in total, were beneficiaries of 38 per cent, or $400 million, of UNICEF assistance in 2002: Afghanistan ($94 million), Indonesia ($83 million), the Democratic Republic of the Congo ($43 million), Fiji ($37 million), Palau ($35 million), Niue ($33 million), Bangladesh ($26 million), Angola ($25 million) and Somalia ($23 million).

12. Total income to UNICEF grew by 19 per cent, from $1.22 billion in 2001 to $1.45 billion in 2002. Of this increase, 15 per cent is derived from contributions from Member States – up from $769 million in 2001 to $885 million in 2002. The principal donor for UNICEF, the United States, increased its contribution by an additional 14 per cent, from $216 million in 2001 to $247 million in 2002. Within this overall increase, the United States is now credited with 28 per cent of contributions from all Member States. Inclusive of the United States, six additional donors contributed $50 million or more and increased their levels by at least 20 per cent over the previous year: Japan ($118 million, up 21 per cent), the Netherlands ($83 million, up 21 per cent), Norway ($82 million, up 28 per cent), Sweden ($74 million, up 23 per cent), the United Kingdom ($72 million), and Canada ($54 million, up 41 per cent). These seven donors together provided UNICEF with $730 million, or half of its funding requirements for 2002.

D. United Nations Population Fund

13. UNFPA technical cooperation remained stable at $310 million in both 2001 and 2002. In terms of execution modality, almost 60 per cent, or $185 million, of UNFPA projects and programmes are executed by the projects and programmed themselves, making direct execution as the modality of choice. National execution ranked second, carrying out 25 per cent, or $76 million, of UNFPA activities in 2002. A review of the geographic distribution of UNFPA operations reveals that, with the exception of 2001, UNFPA technical cooperation activities since 1996 have been concentrated mostly in Africa and Asia and the Pacific. In 2002, Africa absorbed 31 per cent of UNFPA expenditures, at $96 million, while Asia and the Pacific absorbed 27 per cent, or $85 million. The level for Africa in 2002 represented a 31 per cent rise in technical cooperation activity from the $73 million level in 2001.

14. From a $612 000 in 2001, UNFPA cooperation with Guatemala surged to an unprecedented $13.5 million, the highest level of assistance by UNFPA to any beneficiary in 2002. Close behind Guatemala with $13.2 million of assistance is India, which recorded a 19 per cent increase over its 2001 figure of $11.1 million. Fourteen countries, inclusive of Guatemala and India, were recipients of $4 million or more of UNFPA support. These were: Afghanistan, Bangladesh, China, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Pakistan, Peru, Uganda, and the United Republic of Tanzania. Taken as a group, they constituted one-third, or $102 million, of total UNFPA technical cooperation delivery for 2002.

15. Contributions to finance UNFPA activities in 2002 decreased by 8 per cent, from $382 million in 2001 to $353 million in 2002. This decrease was primarily the result of decreases from Member States, particularly the Netherlands, Japan and the United Kingdom, all principal donors for UNFPA. Other major contributors of over $20 million include Norway ($28 million), Denmark ($25 million) and Canada ($22 million). All six donors constituted 58 per cent of income from all funding sources available to UNFPA for 2002.

E. The World Bank/International Development Association

16. It was our intention to present World Bank/IDA analysis in this year's report. After numerous attempts, however, we were unable to obtain data since the World Bank was not in a position to provide such information for 2002.

F. Other specialized agencies, funds and programmes

17. For the third consecutive year since 2000, other specialized agencies, funds and programmes assumed the largest percentage of United Nations system-wide expenditure (31 per cent in 2002), slightly surpassing UNDP (29 per cent). Technical cooperation in 2002 achieved another all-time high of $2.3 billion, recording an 11 per cent increase over 2001, when expenditure was at $2.0 billion. That increase was the highest reported in 2002 by any of the United Nations organizations involved in the technical cooperation field. As in 2001, WHO was credited with executing about one-third ($771 million) of technical cooperation expenditure in 2002 for both regular budgets and extra-budgetary sources. Following WHO in terms of percentage distribution, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) executed 17 per cent ($392 million) of expenditures by this group, followed by the Food and Agriculture Organization (FAO) at 14 per cent ($319 million), the United Nations Educational, Scientific and Cultural Organization (UNESCO) at 12 per cent, or $266 million, and the International Labour Organization (ILO) at 5 per cent, or $107 million. These five agencies alone carried out over four-fifths (almost $1.9 billion) of the total pool of United Nations organizations expenditures valued at $2.3 billion. In terms of percentage increase, the Universal Postal Union (UPU) experienced a spectacular rise of 231 per cent in technical cooperation execution in 2002 as compared to 2001: $6.4 million versus $1.9 million.

18. With regard to regular budgets, two agencies were credited with increased delivery of over 100 per cent of technical cooperation activities against their assessed contributions in 2002. UPU reported the largest increase, at 266 per cent, with $1.3 million in 2002 up from $351 thousand in 2001. Similarly, the World Tourism Organization (WTO) recorded the second-largest increase of 171 per cent, from $632 thousand in 2001 to $1.7 million in 2002. In terms of extra-budgetary expenditure, UPU again showed substantive gains – a 223 per cent moving from the 2001 level of $1.6 million to the 2002 level of $5.1 million. The performance by other specialized agencies, funds and programmes was instrumental in sustaining overall United Nations expenditure delivery at over $7 billion for two consecutive years.

19. The data on sectoral distribution indicate that similar to 2001, in 2002, health, humanitarian assistance and agriculture/forestry/fisheries captured over two-thirds (68 per cent) or the equivalent of $1.5 billion of the total pool of other specialized agencies, funds and programmes development cooperation of $2.3 billion. Although on a smaller scale, the following sectors reported expansion in

technical cooperation in 2002: population (77 per cent), science and technology (63 per cent), environment (57 per cent) and social development (45 per cent). On the other hand, the sectors, which experienced the greatest contraction, were general statistics (75 per cent), human settlements (51 per cent) and energy (42 per cent).

20. For the fifth consecutive year, Iraq and Brazil shared the highest proportion of resources delivered by the group of other specialized agencies, funds and programmes. Iraq maintained the top position in 2002, receiving $155 million, while Brazil absorbed $139 million. Five other countries were recipients of $20 million or more in agency expenditures: India ($39.4 million), China ($26.8 million), Nigeria ($25.2 million), Afghanistan ($24.7 million) and the Democratic Republic of the Congo ($22 million).

21. The total sum contributed to other specialized agencies, funds and programmes experienced a slight decrease of 1.6 per cent in 2002 – at $1.95 billion – as compared to its 2001 level of $1.98 billion. As in 2001, the same five organizations attracted over $100 million in 2002: WHO ($567 million), UNRWA ($391 million), FAO ($248 million), UNESCO ($124 million) and UN-Habitat ($124 million). Taken together, these five organizations attracted three-fourths of all contributions to other specialized agencies, funds and programmes (approximately $1.5 billion). Again as in 2001 (but not necessarily in this order), the top four funding donors of $100 million or more were: the United States ($230 million), the United Kingdom ($123 million), the Netherlands ($110 million) and Italy ($109 million). These four countries alone continued to fund over one-half, or $572 million, of the full scope of activities undertaken by the other specialized agencies, funds and programmes in 2002.

United Nations system: summary statistics on technical cooperation expenditure and contributions, 1998-2002 (thousands of United States dollars)

	1998		1999		2000		2001		2002	
A. Expenditure	$M	% a/	$M	% a/	$M	% a/	$M	% a/	$M	% a/
Specialized agencies, funds and programmes	1 444.0	43.5	1 525.3	5.6	2 022.9	32.6	2 036.7	0.7	2251.7	10.6
Regular budgets	426.4	5.9	444.0	4.1	469.6	5.8	424.0	(9.7)	479.4	13.1
Extra-budgetary	1 017.6	68.5	1 081.3	6.3	1 553.3	43.7	1612.7	3.8	1772.4	9.9
UNDP	2 130.8	18.3	2 044.1	(4.1)	1 917.7	(6.2)	2 026.6	5.7	2138.0	5.5
Central	1 763.6	15.4	1 631.8	(7.5)	1 457.9	(10.7)	1 526.2	4.7	1492.9	(2.2)
Regular (core)	605.8	(9.9)	512.4	(15.4)	404.5	(21.1)	353.5	(12.6)	356.7	0.9
Government cost-sharing and government cash counterpart contributions	1 046.0	36.0	942.3	(9.9)	870.9	(7.6)	970.3	11.4	863.4	(11.0)
Third-party cost-sharing	111.8	28.4	177.1	58.4	182.7	3.2	202.4	10.8	272.8	34.8
Funds and administered trust funds	367.2	35.0	412.3	12.3	459.8	11.5	500.4	8.8	645.1	28.9
UNFPA b/	216.6	1.0	187.1	(13.6)	134.1	(28.3)	313.6	133.9	312.5	(0.4)
UNICEF	645.0	(4.1)	817.9	26.8	885.0	8.2	1 011.9	14.3	1043.9	3.2
WFP c/	1 237.3	15.4	1 429.6	15.5	1 158.3	(19.0)	1 776.4	53.4	1592.2	(10.4)
Total (expenditures)	5 673.7	19.0	6 004.0	5.8	6 118.0	1.9	7 165.3	17.1	7338.3	2.4
B. Contributions										
Agencies – extra-budgetary	1 296.9	(3.9)	1 500.6	15.7	1 792.1	19.4	1 984.5	10.7	1952.1	(1.6)
Total bilateral	868.8	16.4	1 261.9	45.2	1 471.1	16.6	1 567.2	6.5	1375.7	(12.2)
Countries/territories	567.5	(0.3)	875.3	54.2	1 066.0	21.8	1 115.7	4.7	1075.4	(3.6)
NGOs	121.5	44.6	168.1	35.0	208.6	24.1	189.2	(9.3)	99.3	(47.5)
Unilateral self-supporting	176.8	93.4	218.5	23.6	196.5	(10.1)	262.2	33.5	201.1	(23.3)
Total multilateral	428.1	(29.0)	238.7	(44.2)	321.0	34.5	417.3	30.0	576.4	38.1
United Nations system	369.1	(35.3)	139.8	(62.1)	237.0	69.5	298.8	26.1	411.4	37.7
Non-United Nations system	59.0	78.8	98.9	67.6	84.0	(15.1)	118.5	41.0	165.0	39.2
UNDP (voluntary)	745.8	(2.0)	681.4	(8.6)	634.1	(6.9)	651.8	2.8	663.1	1.7
UNFPA (voluntary)	268.4	(6.0)	244.1	(9.1)	255.8	4.8	349.1	36.5	312.0	(10.6)
UNICEF (voluntary) d/	592.2	(0.1)	675.7	14.1	718.6	6.3	769.4	7.1	884.5	15.0
WFP (voluntary) c/	1 038.3	3.4	1 380.2	32.9	1 256.7	(8.9)	1 501.1	19.4	1755.6	17.0

a/ Represents percentage increase over previous year's figure.
b/ The figure for 2000 did not include programme expenditures funded by other resources. For 2001, UNFPA reported programme expenditures funded by regular as well as other resources.
c/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998, 1999, 2000 and 2001.
d/ UNICEF submitted revised contributions data for 1996, 1997, 1998 and 1999.

Note: Contribution data refer to voluntary contributions from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost-sharing, funds and trust funds, government cash counterpart contributions, contributions to local office costs, extra-budgetary activities and management services agreements. In the case of UNICEF, other elements of income include various private sources, inter-organizational arrangements and miscellaneous.